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Clinton-Gore Team Flunks Three "Rs" on Tax-Cut Effort
The Republican Tax-Cut Plan and Education:
It's a Win-Win

The Clinton-Gore team is compelled to attack the Republican attempt to return surplus money to the taxpayers who earned it. Their latest attempt is a spurious claim that a tax cut hurts education. Nothing could be further from the truth.

In pursuing their extremist anti-tax cut agenda behind the facade of education, Clinton-Gore liberals have flunked the three "R's." First, they have neglected the *readin'* of the Republican tax cut plan and the Republican budget of which it is a part. In both cases, the Republican proposals not only protect but promote education. Second, the Clinton-Gore liberals have failed in *'ritin'* their own budget plan, which does less for education than does the Republican budget they oppose. Finally, the Clinton-Gore liberals have flunked their *'rithmetic* when it comes to figuring out that a \$3 trillion surplus can protect Social Security, pay down the federal debt, return tax overpayments to income taxpayers, and still leave \$300 billion in reserve for other federal priorities — such as education.

President Clinton Should Be Sent to the Corner

Yesterday, President Clinton claimed:

"If their budget passes with the tax cut, it will require us to reduce our investment in education, in Head Start, early reading, and other programs by about 50 percent over the next 10 years. And over and above their tax cut, every year they have put themselves in a position where they are going to have to cut education now."

That is wrong and President Clinton knows it. If he were a student and not just a speaker at an elementary school in Olney, Maryland, that deliberate misstatement should have earned him a stint standing in a corner.

Readin' the Republican Tax Cut and Budget

The Republican tax cut is part of an overall budget that is fiscally responsible. Our budget adheres to the spending caps implemented in Balanced Budget Act of 1997 (BBA '97) — and agreed to by President Clinton. In addition to overall funding at the full amount of the agreed-to BBA level, our budget provides a surplus reserve fund of \$300 billion over the next 10 years that can be used for priorities — such as education and Medicare. This is money in addition to the government's current mandatory programs and in addition to all Social Security payroll tax receipts.

- The Republican tax cut itself would provide over \$500 billion in broad-based middle-class and family tax relief — this money can be used in any way families desire, including educating their children. Clinton opposes the tax cut and proposed a net \$100 billion tax hike in his budget over the next 10 years. That's \$100 billion families *can't* spend on education.
- In addition, the Republican tax cut bill provides specific tax relief aimed directly at education. These provisions total \$11.3 billion over 10 years and include:
 - ✍ School Construction — increases the time during which money raised by bonds for school construction can be used.
 - ✍ Education Savings Accounts (ESAs) — increases contribution limits and expands purposes for which the accounts can be used.
 - ✍ Qualified tuition plans — allows private plans to participate in this tax provision and excludes all distributions from both state and private plans from individuals' gross income.
 - ✍ Employer-provided assistance — extends favorable tax treatment through 2003.
 - ✍ Student loans — repeals limitation on interest deduction.

'Ritin' the Clinton-Gore Budget

The Republican budget provides more — \$27.5 billion more — for elementary and secondary education than does President Clinton's budget. Clinton provides for no increase after 2001 — the year after he leaves office.

The Republican budget assumes an increase of \$2.4 billion in discretionary education funding — amounting to twice Clinton's request for next year and \$31 billion more, or five times more, than he requested over the next five years.

'Rithmetic of the Surplus

The nonpartisan Congressional Budget Office projects a \$3 trillion federal surplus over the next ten years. This projection is borne out by the results of the last two fiscal years. Last year, the federal government saw a \$69- billion surplus and this year it is on-pace to see a \$120-billion surplus. Beginning next year, it will start to run a surplus of \$3 trillion overall — \$1 trillion of which is in addition to Social Security money.

The Republican budget leaves untouched the \$1.9 trillion Social Security surplus. It cuts taxes by \$792 billion and it leaves \$300 billion in reserve for other priorities — such as education. And in so doing, it reduces the federal debt by \$200 billion more than the Clinton-Gore budget would over the next ten years.

That's the real math — and it's not Republican math or Clinton-Gore math, but that of the nonpartisan Congressional Budget Office (CBO).

Clinton-Gore Administration Failings Hurt Education

If the Clinton-Gore team had bothered to read the Republican tax cut plan and budget, they would have found that education is both protected and promoted. If they had bothered to write their own budget better, they too could have done more for education and for the taxpayer. And if they had bothered to do the arithmetic, they could have seen how such a plan — the Republican plan — could be achieved in a fiscally responsible manner. Instead, they flunked all three and in the process failed the country and education.

The Clinton-Gore administration has vowed to oppose the Republican education funding increases in the budget passed by Congress. The Clinton-Gore administration has vowed to veto all the Republican education provisions contained in the tax cut bill.

The Republican budget and tax cut bill rate an 'A+' for education, families, and the economy. It's the Clinton-Gore folks who are failing all these with their anti-tax cut extremism.

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